

## **CONSOLIDATED EDISON, INC.**

### **BOARD OF DIRECTORS**

#### **CHARTER OF THE AUDIT COMMITTEE**

##### **Statement of Purpose**

The Audit Committee will assist the Board of Directors in its oversight of the integrity of the financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and independent auditors.

##### **Organization and Membership**

The Audit Committee will be organized and conduct itself as follows:

- (A) Upon recommendation of the Corporate Governance and Nominating Committee, the Board of Directors will annually appoint the members of the Audit Committee, consisting of three (3) or more persons, one of whom will be designated as chair. Each member of the Audit Committee will meet the independence and financial literacy requirements of law and the New York Stock Exchange, each as determined by the Board. The Company expects, and will endeavor to ensure, that at least one member of the Audit Committee is an "audit committee financial expert" as such term is defined by the Securities and Exchange Commission ("SEC").
- (B) The members of the Audit Committee may be removed at any time by a majority vote of the Board present to vote on such action. The Audit Committee member who is the subject of such removal vote will be ineligible to vote on the matter. Upon the recommendation of the Corporate Governance and Nominating Committee, the Board will fill any vacancy at its next regularly scheduled meeting after such vacancy occurs.
- (C) In order to discharge its responsibilities, the Audit Committee will meet at least six (6) times each year, with additional meetings scheduled as determined by the Chair of the Audit Committee. The Chair of the Committee will report to the Board after each meeting of the Audit Committee.
- (D) The Chair of the Audit Committee will be responsible for establishing the agendas for meetings of the Audit Committee. The agenda, together with materials relating to the subject matter of each meeting, will, to the extent practical, be communicated to the members of the Audit Committee sufficiently in advance of each meeting to permit meaningful review.
- (E) A majority of the members of the Audit Committee, but not less than two, will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Audit Committee.
- (F) The Committee may meet by conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time and may take action by unanimous written consent.

## Duties and Responsibilities

The Audit Committee will:

- (A) Be directly responsible for the appointment (subject to shareholder ratification), compensation, oversight and termination of the work of any independent auditor employed by the Company (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and each such independent auditor will report directly to the Audit Committee. The Company will provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor employed by the Company for the purpose of rendering or issuing an audit report.
- (B) Pre-approve all auditing services and non-audit services permitted by law, including tax services, to be provided to the Company by the independent auditor of the Company and provide oversight of the Company's disclosure to investors regarding any services so provided, as required by law.
- (C) At least annually, obtain and review with the lead audit partner a report by the independent auditor describing:
  - (1) the independent auditor's internal quality-control procedures;
  - (2) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with such issues; and
  - (3) to assess the auditor's independence, all relationships between the independent auditor or its affiliates, and the Company or persons in financial reporting oversight roles at the Company, that may reasonably be thought to bear on independence, and discuss with the lead audit partner the potential effects of any such relationships on independence.
- (D) Meet to review and discuss the annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," any material changes in accounting principles or practices used in preparing the statements, and the independent auditor's reports related to the financial statements prior to the filing of the Company's Form 10-K and Form 10-Q. In this connection, the Audit Committee will:
  - (1) Review with the independent auditor the matters required to be discussed by the independent auditor under Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board, and amended from time to time.
  - (2) Discuss with the Chief Executive Officer and Chief Financial Officer (i) all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and any material weakness in internal controls; (ii) any fraud, whether or not

material, that involves management or other employees who have a significant role in the Company's internal controls; and (iii) the adequacy and effectiveness of the Company's disclosure controls and procedures.

- (3) Review with the independent auditor management's assessment, as of the end of the most recent fiscal year, of the effectiveness of the internal control structure and procedures of the Company for financial reporting and the report of the independent auditor on the effectiveness of internal controls.
  - (4) Review with the Company's independent auditor the scope of the annual audit to be performed and results of the annual audit and such other matters pertaining to the annual audit, as the Committee may deem appropriate.
  - (5) Recommend to the Board based on the review and discussion described above whether the financial statements should be included in the Company's Form 10-K.
- (E) Review earnings press releases prior to their release, and discuss (generally) financial information and earnings guidance provided to analysts and rating agencies.
  - (F) Oversee the Company's risk assessment and risk management processes, and oversee the management of such risks that have been identified through the Company's enterprise risk management program, relating to the purpose, duties and responsibilities of the Committee, as described in this Charter.
  - (G) From time-to-time meet separately with management, with internal auditors (or other personnel responsible for the internal audit function), with the independent auditor and with the General Counsel. The Audit Committee will generally meet separately with the independent auditor at each Audit Committee meeting that the independent auditor attends.
  - (H) Review with the independent auditor any audit problems or difficulties and management's response.
  - (I) Set clear hiring policies for employees or former employees of the independent auditors and review such policies at least once every three years.
  - (J) Oversee the preparation of the report the SEC rules require to be included in the Company's annual proxy statement.
  - (K) Conduct an annual performance evaluation of the Audit Committee and report to the Board the results of the self-evaluation.
  - (L) Annually review its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.
  - (M) Establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

- (N) Review, and approve, at least annually, the Auditing Organization Charter, and the scope and staffing of the proposed internal audit plan for the current year. Review reports of the Company's internal auditors (or other personnel responsible for the internal audit function) to the Audit Committee and actions by management in response to any recommendations contained in the reports and consult with management regarding the qualifications of the internal auditing department and the appointment, replacement, reassignment or dismissal of the principal internal auditor.
- (O) Review such other reports of the Company's management, its independent auditor, and its internal auditors, as the Audit Committee may deem advisable, with respect to measures taken by the Company to maintain internal controls and accounting practices in compliance with legal requirements and current and new generally accepted accounting principles and auditing standards.
- (P) Receive and review from time to time such reports or other materials as the Audit Committee may deem advisable with respect to significant new developments and trends in accounting and auditing policies and procedures and their impact on the Company.
- (Q) Evaluate at least once every five years whether it is appropriate to rotate the Company's independent auditor.
- (R) Review, at least annually, the responsibilities and performance of the Company's internal auditor.
- (S) Oversee the Company's compliance program with respect to legal, regulatory and ethical requirements, and oversee the Company's policies and procedures for monitoring compliance. At least annually, the Committee will meet to review the implementation and effectiveness of the compliance program with the Chief Ethics and Compliance Officer, who shall have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of the Standards of Business Conduct, including any matters involving criminal or potential criminal conduct.
- (T) Receive and review, at least semi-annually, reports, presentations or other materials with respect to cybersecurity matters.

The foregoing list of duties is not exhaustive, and the Audit Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee has sole authority to retain and terminate independent counsel and other advisors as it determines appropriate and to review and approve the fees and other retention terms of any advisors retained by the Committee. The Company will provide for funding, as determined by the Audit Committee, for payment of compensation to any such advisors.

### **Audit Committee's Role**

The Audit Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare consolidated financial statements in accordance with applicable law and regulations and of the Company's independent auditor to audit those financial statements.

Therefore, each member of the Audit Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations.

Effective May 20, 2019.